GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:34
ANSWERED ON:18.07.2016
Export Policy for Tea
Ajmal Shri Sirajuddin

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of export policy of the Government for tea;

(b) whether the Government has proposed any amendment in export policy of tea considering continuous rise in its prices in the domestic market; and

(c) if so, the details thereof along with the remedial measures taken by the Government to ensure adequate supply of tea in the domestic market?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a): The Foreign Trade Policy (2015-20) provides for varying rewards for "bulk tea" and "Packed tea" segments separately (packages weighing less than 20 kg or packed teas enjoy a reward rate of 5% while packages weighing more than 20 kgs or bulk teas are entitled to a reward rate of only 3%)under Merchandise Export from India Scheme (MEIS). The interest subvention scheme of 3% for exporters have been re-introduced. Duty Drawback benefits stand at 1% of rebate of duty chargeable on any imported or excisable material used in the exported teas.The five markets viz. Russia, Kazakhstan, USA, Iran and Egypt have been identified as potential markets for increasing Indian exports based on the parameters of their "Market attractiveness" and "Ability to serve". In addition, China and Chile have also been added for sustained promotion.

(b) & (c): While sustained export promotion is the thrust area in the new FTP 2015-20, our domestic market consumes approximately 90% of our total production.Out of total production of 1233 m. kg in 2015-16, an estimated 951 m. kg was consumed domestically, while around 233 m. kg was exportedleaving a surplus of 49 m.kg of teas.Tea Board of India regularly participates in various major domestic events to promote single-origin teas amongst the discerning consumers. Advertisements about niceties of Indian teas in noted journals are also being resorted to on regular basis in order to create awareness.
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